



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

JUL 01 2019

Secretary Erik A. Hooks
North Carolina Department of Public Safety
512 N. Salisbury Street
Raleigh, NC 27604

Dear Secretary Hooks:

The Further Continuing and Security Assistance Appropriations Act, 2017 and the Consolidated Appropriations Act, 2017 (Public Laws 114-254 and 115-31) included supplemental Community Development Block Grant disaster recovery (CDBG-DR) funds to the Department. HUD allocated a combined \$236,529,000 in CDBG-DR funds to the State of North Carolina to address long-term recovery needs arising from qualifying major disasters that occurred in 2016. Pursuant to provisions of the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, Section 145 of the Act, the Secretary must certify that each CDBG-DR grantee has demonstrated the following conditions related to financial controls:

- That it has proficient financial controls and procurement processes;
- That it has established adequate procedures to prevent any duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act;
- That it has processes and controls to ensure timely expenditure of funds;
- That it has and will maintain comprehensive web sites regarding all disaster recovery activities assisted with these funds; and
- That it has processes and controls for the detection and prevention of waste, fraud, and abuse of funds.

HUD previously certified to the proficiency of the financial controls and procurement processes as submitted by the North Carolina Department of Commerce. However, on October 29, 2018, State legislation was signed establishing the North Carolina Office of Recovery and Resiliency (NCORR) and identifying NCORR as the administering entity for all CDBG-DR grants. The State formally submitted its supporting financial control certification on March 22, 2019, and subsequently provided additional information in response to requests from HUD.

This letter is to inform the State of North Carolina that the Department has reviewed the financial control materials submitted by NCORR and has determined NCORR has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds. As of the date of this letter, the Department recognizes NCORR as the administering agency responsible for all grant funds

administered under grant number B-16-DL-37-0001.

The Department looks forward to working with NCORR to assist in the continued recovery efforts from Hurricane Matthew. If you would like to discuss these matters, please contact Ms. Tennille Parker, Director, Disaster Recovery and Special Issues Division, at (202) 402-4649.

Sincerely,



Claudette Fernandez
Director
Office of Block Grant Assistance